Research Report

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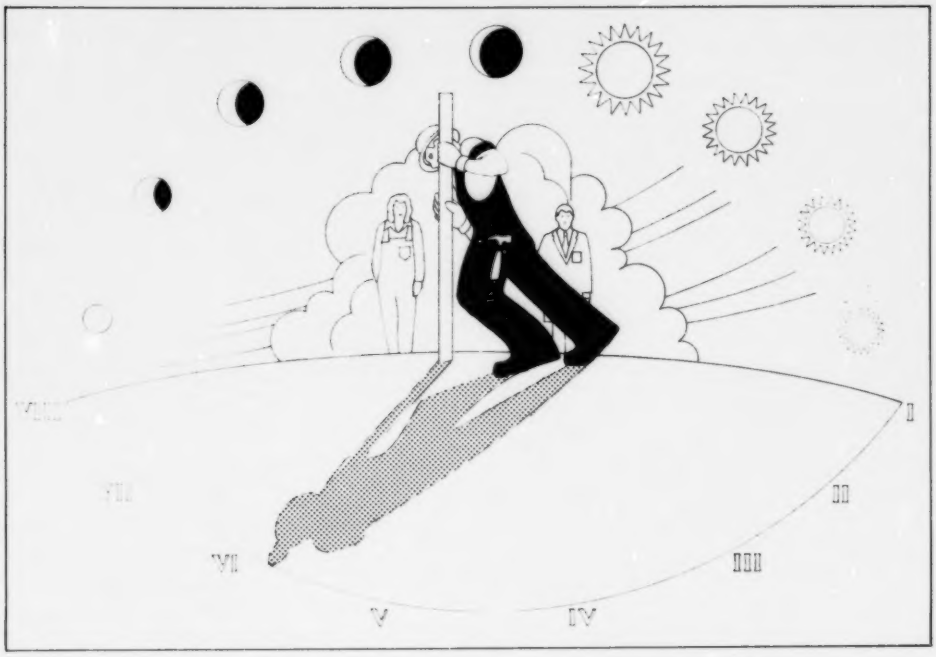

Collective Bargaining, Hours of Work, and Overtime

COLLECTIVE BARGAINING, HOURS OF WORK, AND OVERTIME

by

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(A Report Prepared for the Ontario Task Force on Hours of Work and Overtime)

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Abstract: Collective Bargaining, Hours of Work, and Overtime

This study analysis the role of collective bargaining in dealing with hours of work and overtime issues. An examination of the hours of work and overtime provisions in major collective agreements in Ontario as of 1984 indicates a number of patterns. For example, scheduled workdays of 8 or 7.5 hours and workweeks of 40 or 37.5 hours are the norm. Therefore, the current legislative standard of 44 hours per week is not binding in the unionized sector. The most common overtime premium is time-and-one-half for hours beyond the scheduled workday, or for Saturday work, with double time being more common for Sunday work. Provisions which allow employees to refuse overtime and require employers to distribute overtime equitably are found in about half of the contracts, moreso in manufacturing industries which are heavy overtime permit users. By contrast, contract clauses restricting overtime or requiring worksharing in slack periods are rare. There is considerable variation in the pattern of hours and overtime provisions among unions suggesting a lack of concensus on how to approach these items. Also, overtime issues are not a major source of grievance-arbitrations and appear to be declining in relative terms.

COLLECTIVE BARGAINING, HOURS OF WORK AND OVERTIME

ROLE OF COLLECTIVE BARGAINING

Examining the extent to which hours of work and overtime issues are negotiated in the collective bargaining arena is important given that slightly more than half of the Ontario workforce is covered by collective agreements.[1] What goes on in the unionized sector is often indicative of what will happen in other segments of the workforce as patterns set in the former often are emulated by the latter (sometimes, in fact, to avoid the threat of unionization).

For the purposes of designing changes in employment standards legislation, it is necessary then to observe the union sector closely. This is so whether one sees employment standards as providing any or a combination of the following three functions: offering a minimum safety net or floor; emulating a community norm; or setting a leading example to be emulated by others.

If employment standards are seen simply as providing a minimum safety net, then it is important to understand what takes place in the unionized sector so that minimum standards do not exceed what exists in that generally better-protected arena. (The safety net is usually regarded as a relative standard that may be adjusted to reflect what occurs elsewhere, including in the unionized sector.) If employment standards are seen as emulating a community norm, then the union sector becomes even more important: the prominence of workers being covered by collective agreements, especially in manufacturing, means that these agreements are an important component (directly and indirectly) in establishing the norm.

Finally, it would be unnecessary to use employment standards for the purpose of providing a leading example if the precedent were already being set in the union sector; so here, too, it is important to be aware of what is happening in that arena.

These rationales need not be mutually exclusive, nor must they apply equally to each aspect of employment standards (e.g., one rationale may apply to wages, another to hours). They may also vary according to economic conditions: for example, minimum wage provisions may offer a minimum floor for individuals with little collective or individual bargaining power, and yet the floor may be adjusted upward to reflect a community norm.

Whatever the rationale, it is important to know what is occurring in the union sector, particularly if one sees employment standards as at least providing a safety net and following a community norm. The "leading example" role would be reserved for special circumstances in which conditions clearly merit this stronger form of intervention. In such special cases, if certain provisions are not prominent in collective agreements, then it may prove difficult to argue for their existence in the unorganized sector on the basis of a safety net or community norm when neither has been reached in the protected, more powerful union sector. That is, if the parties have not agreed to a standard in a unionized situation, where there is more information and greater bargaining power, then that could be taken as a sign that such a provision is not sufficiently valued by union workers to exchange wages or any other costly provisions in the bargaining process.

In that respect, collective bargaining has the virtue of requiring both employers and employees to confront the equally compelling concerns of each other in a forum that enables those concerns to be traded off under a reasonable degree of information and bargaining power on each side.

Employers are required to pay attention to the legitimate needs of workers for wages and working conditions and a degree of due-process at the workplace. Employees, in turn, are required to confront the needs of employers to be cost conscious and competitive. The resulting provisions in collective agreements can thereby be taken as barometers of what unions value (and are willing to trade off for other things) and what employers can viably provide, at least in the environment where unions exist.

There are, however, a number of caveats to this general proposition. Being political institutions, unions can be taken to represent the preferences of their median union voter subject to certain ideological constraints. This means that certain minority rights could be traded off by unions in a fashion that could be considered socially unacceptable. Perhaps the clearest example of this would be a pay or promotion structure that discriminates against a minority of the union members. In the hours-of-work and overtime arena, this potential danger could arise if the desire of some union members for more overtime work conflicted with the desire of a minority of union members to be recalled from layoff or the desire of potential union members for new jobs that could be created if overtime were restricted. Depending upon how severe the layoffs cut into the rank-and-file, those on layoff may not have much say in the internal union trade-off between overtime for existing members and recall or new jobs for others.

At a more pragmatic level, union leaders may find it difficult to "sell" their rank-and-file on a policy that restricts their lucrative overtime income in return for the (perhaps nebulous) possibility that new jobs may be created and people recalled from layoff. In such circumstances, restrictions on overtime may not find their way to the bargaining table, even though there is a feeling that they are important. A legislatively imposed solution may be

preferred to a collective bargaining solution that is likely to create divisions within the rank-and-file.

Of course, the legislatively imposed solution may also be preferred by unions because it then appears that they do not have to give up anything in collective bargaining in return for the legislatively imposed outcome. However, if the legislatively imposed outcome were costly to employers, then presumably there would be less to offer in the next round of bargaining. If the legislatively imposed solution were to apply mainly to the nonunion sector (and this is often the case with employment standards), then it would also be beneficial to the union sector since there would be less competition from the nonunion sector, given the costs imposed by the employment standards.

As applied to the hours-of-work dimensions, for example, a legislative reduction in the scheduled workweek so that the overtime premium is paid after 40, not 44, hours, may have little impact on the union sector if the scheduled 40-hour week is already the norm in that sector. This legislative constraint would basically have an effect in the nonunion sector and, in fact, would benefit the union sector by reducing what would otherwise have been lower cost competition from the nonunion sector. In contrast, a legislative restriction on the use of overtime in the presence of layoffs may equally affect the union and nonunion sectors if such provisions are not common in the latter.

Unionists may also feel that certain basic and fundamental rights (e.g., to a reasonably safe work environment) ought not to have to be bargained for, but rather should be guaranteed, through legislation, for union and nonunion workers alike. Hours-of-work provisions are unlikely to be regarded as fundamental rights, however, with the possible exception of the individual right to refuse overtime work.

Lastly, it may be unreasonable to expect the collective bargaining arena (or company personnel policies in a nonunion setting) to provide a socially optimal amount of innovation in work arrangements. This is so because innovative work arrangements that are successful will be quickly emulated by competitors, thereby not giving the successful innovator any relative competitive advantage from the innovation. That is, the innovator is unable to reap the full benefits because these benefits are tempered as other firms emulate the successful innovation. In contrast, on the cost side, the firm that innovates bears the full cost of any unsuccessful innovation that obviously will not be emulated by competitors. Since the party bears the full cost of unsuccessful innovations but cannot appropriate the full benefits of successful ones, the amount of innovation in work arrangements will be less than socially optimal.

In such circumstances there is a built-in incentive for all parties to "wait and see" and emulate only the successful innovations in work arrangements. With everyone following such a policy, it is clear that an insufficient amount of innovation in work arrangements will occur. This is analogous to the fact that the private market place will yield a less than socially optimal amount of product innovation unless patents enable innovators to appropriate the full returns from their innovation.

In the hours-of-work arena, this could be a real hindrance to relying upon collective bargaining or private personnel policies to provide sufficient innovative work arrangements, even though such arrangements seem to be desired by the increasingly heterogeneous workforce, especially associated with the influx of women and youths and the growth of the two-earner family. The demand for such work arrangements appears to be there, but the supply response may be inadequate or too slow because of the inability of innovators to appropriate their full returns. In these circumstances there may be a rationale for public intervention in such

forms as public support or assistance for innovative work arrangements, or for having the public authorities themselves innovate in their own employment relationship.

In summary, the hours-of-work provisions that prevail in collective agreements can provide useful information for the design of employment standards, whether those standards are most relevant for the unionized or nonunionized sector and whether one perceives employment standards as providing a minimum safety net, emulating a community norm, or setting a leading example. Nevertheless, the information from collective agreements should not be overrated. There may be legitimate reasons for unions not bargaining for issues that they feel are best handled in the legislative arena. In addition, despite of the direct and indirect effect of the union sector, employment standards are largely meant for the nonunion sector, especially small businesses, where conditions are usually fundamentally different from those in the union sectors. In the small business, nonunion sector, informal arrangements, which at times may be imposed upon and exploitative of workers, may also often be mutually beneficial to employers and employees. Cost constraints may also be more binding in an environment that is more competitive than monopolistic or oligopolistic. As well, scheduling problems and flexibility needs may be greater in the small business, nonunion, sector, in part because of the smaller number of employees available. These and other factors temper the observations that collective bargaining provisions provide an important barometer for the design of employment standards.

With this qualification in mind, this report provides an examination of the importance of hours-of-work and overtime issues in collective bargaining. The focus is on an examination of the hours-of-work and overtime provisions in major collective agreements in Ontario with a view toward documenting their prevalence and their relationship to such factors as firm size, industry, union, and region, as well as

job security provisions and fringe benefits. The extent to which hours-of-work and overtime issues are the subject of grievance arbitration and the outcomes of these arbitration decisions are also examined.

COLLECTIVE AGREEMENTS DATA

Data on contract provisions in collective agreements are available in computer tape format from both Labour Canada's and the Ontario Ministry of Labour's collective agreements data banks. The Labour Canada data are more current (December 1985 at the time of this writing), and they sometimes provide greater detail. However, the data cover only the very large establishments of 500 or more employees. The Ontario Ministry of Labour data are slightly dated (July 1984) because the Ministry is converting to a more detailed format (more along the lines of the federal format) the new detailed information will not be available before the Task Force reporting deadline. The Ontario Ministry of Labour data are utilized here largely because of their inclusion of midsized establishments (200-500 employees). The Ontario data set contained 893 collective agreements in operation as of July 1984,[2] compared with only 385 agreements for the Labour Canada data. Tabulations based upon the contracts of 500 or more from both data sets indicated very little difference, suggesting that not much has changed over the period July 1984 to December 1985.

The detailed tabulations are given in a data appendix available from the authors on request. That appendix contains data in terms of the per cent of collective agreements with certain provisions (Tables A1-A103) and the number of employees affected (Tables B1-B103). The figures are usually quite similar; hence, the text will be restricted to using the per cent of agreements, with any substantial divergences being mentioned.

The format of the text is as follows: first we discuss the relative importance of various hours-of-work and overtime contract provisions pertaining to the standard workweek, overtime premiums and restrictions on the administration of overtime. Then we relate these provisions to various factors believed to influence the existence of such provisions (firm size, industry, union, region, job security provisions and fringe benefits) both via simple cross-tabulations and multiple-regression analysis. To provide a sense of how contract provisions are actually administered, we present a summary of recent Ontario grievance arbitration cases which focus on overtime.

RELATIVE IMPORTANCE OF VARIOUS HOURS AND OVERTIME PROVISIONS

The collective agreements data file provided information on contract provisions pertaining to three main aspects of hours of work and overtime: (1) the standard or scheduled working hours beyond which the overtime premium must be paid; (2) the overtime premium; and (3) restrictions on the administration of overtime and hours of work. Each of these three main dimensions will be discussed in turn.

Scheduled Hours and Workweek

Collective agreements usually state the daily and weekly scheduled hours (sometimes termed the standard hours) after which overtime premiums apply. As Table 1 indicates, about 62 per cent of agreements (covering 53 of agreements of employees across Ontario) call for an eight hour work day. Twenty-two per cent have shorter workdays, of which 7.5 hours is the most common (17 per cent of all contracts). Only 3 of the 893 contracts have established a longer-than-eight-hour workday (8.5 or 9 hours). The standard workweek of 5 days is now the norm, being prevalent in 80 per cent of all agreements. However, there is some flexibility by season, with 16 per cent of the contracts having the standard workweek vary by season.

Table 1
Scheduled Daily Hours, Workweek, and Weekly Hours
(% of contracts with provision)

Daily Hours	%	Workweek	%	Weekly Hours	%
No provision	0.6	No provision	0.9	30.0-35.0	4.4
6.0-7.25 hours	4.2	4-day/week	0.1	36.0-37.4	2.7
7.5 hours	16.2	4.5-day/week	0.1	37.5	16.5
8.0 hours	61.7	5-day/week	79.5	37.6-39.0	1.6
8.5-9.0 hours	0.3	6-day/week	0.1	40	61.3
Varies by group	9.5	Varies by group	1.7	40.0+	1.5
Varies by season	4.3	Varies by season	15.6	Varies	11.4
N.A. or other	1.9	N.A. or other	2.0	Other	0.8
Total[a]	100.0	Total	100.0	Total	100.0

Source: Data Appendix Tables A1-A3, which were based upon the Ontario Ministry of Labour collective agreements tape as of July 1984.

[a] Subject to rounding error.

The weekly hours maxima mirror the combined effect of the scheduled hours per day and days per week. Sixty-one per cent of contracts call for 40-hour weeks, 25 per cent call for less than 40 hours (37.5 hours being the most common), about 1 per cent normally schedule more than 40 hours, and in 12 per cent of contracts the workweek varies or cannot be determined.

Clearly, the 8-hour scheduled day and 40-hour scheduled week are the norm in Ontario. Though a substantial minority (20-25 per cent) of establishments have shorter scheduled hours, few exceed the norm. The current Ontario labour standard requiring the overtime premium rate to be paid after 44 hours per week is clearly not a binding constraint in the unionized sector. A reduction of more than 4 hours would be required to have any impact on the overtime decision of the typical unionized establishment.

Overtime Premium Requirements

When scheduled hours are exceeded, an overtime premium must be paid. Collective agreements state an initial rate and sometimes designate a second (higher) rate for "excessive overtime." In fact, as many as eight separate overtime rates can appear in a collective agreement: initial and excess rates for each of daily overtime, weekly overtime, Saturday overtime, and Sunday (holiday) overtime. To keep our analysis manageable we will emphasize the daily overtime premiums (column 1 of Table 2) because these are the most commonly binding.[3] Frequencies for the weekly and Saturday and Sunday premiums are given respectively in columns 2 - 4. The top panel of the table gives the overtime premium that applies to the initial overtime period and the bottom panel gives the premium that applies to any "excessive" overtime period. If an excessive permit for a special extra premium is not specified then the initial premium applies throughout.

Table 2
Overtime Premium, Initial and Excessive Periods
(% of contracts with provision)

Overtime Premium	Daily (1)	Weekly (2)	Saturday (3)	Sunday (4)
Initial Overtime Period				
Time and 1/2	68.2	36.2	39.9	10.4
Double time	1.3	0.1	2.2	41.9
Time-in-lieu <1.5	2.1	1.5	0.2	0.6
Time-in-lieu 1.5	20.2	13.2	0.9	0.1
Time-in-lieu 2.0	0.3	0.1	0.3	2.5
Other	2.8	1.0	1.3	1.6
No provision	5.0	47.8	55.1	43.0
Total[a]	100.0	100.0	100.0	100.0
Excessive Overtime Period				
Double time <4 hours	7.1	2.4	0.8	0.0
Double time 4 hours	11.6	0.1	2.1	0.2
Double time >4 hours	1.5	0.2	9.7	4.3
Time-in-lieu	3.0	0.2	0.1	0.0
Varies	1.2	0.4	1.1[b]	2.3[c]
No provision	75.6	96.6	86.1	93.3
Total[a]	100.0	100.0	100.0	100.0

Source: Data Appendix Tables A4-A11, which were based upon the Ontario Ministry of Labour collective agreements tape as of July 1984.

[a] Subject to rounding error.

[b] Includes 0.2% of contracts which specify time-and-one-half and 0.1% of contracts which specify triple time in the excessive overtime period on Saturday.

[c] Includes 0.1% of contracts which specify time-and-one-half and 1.6% of contracts which specify triple time in the excessive overtime period on Sunday.

As the first column of Table 2 indicates, 90 per cent of the contracts specify the daily overtime premium as "time and a half" (1.5 x normal wage rate), with about 20 per cent of the agreements (covering 30 per cent of workers) allowing the employee to choose between pay at time-and-one-half or compensatory time off in lieu at the same rate (1.5 hours off for every overtime hour worked). Less than 2 per cent of the contracts call for double time for initial overtime hours worked, and 5 per cent of contracts have no provision, presumably implying straight time for overtime hours. Only 23 per cent of agreements allow for time off in lieu based on some formula.

Column 1 of the bottom panel of Table 2 indicates that slightly over 75 per cent of all contracts do not have a special extra premium for daily overtime worked beyond some specified excessive overtime period. In those situations the initial overtime premium, which was time-and-one-half in 80 per cent of the cases, continues to apply. In those contracts which did have a special premium in the excessive overtime period, the most common arrangement (11.6 per cent of contracts) was for double time for overtime hours that were in excess of 4.0 hours per day beyond the regularly scheduled workday (which was 7.5 or 8.0 hours in about 80 per cent of the cases, as indicated in Table 1). No contract called for a special daily overtime premium greater than double time. Clearly special overtime premiums for excessive overtime hours are not common, and where they exist they are only at double time and they usually apply to daily overtime hours that are considerably in excess of the scheduled workday.

Column 2 of the top panel of Table 2 indicates that almost half of the agreements have no premium rates after the scheduled workweek (usually of 5 days) or weekly hours (usually of 40 or 37.5 hours). Those that do, however, specify a premium that mirrors the overtime premium that

applies when the scheduled workday is exceeded. That is, almost 50 per cent require time-and-one-half, with 13 per cent of these allowing employees the choice of taking the time-and-one-half as pay or time off in lieu of pay.

Column 2 of the bottom panel of Table 2 indicates that special premiums for "excessive" weekly hours are present in only 3 per cent of all contracts, usually requiring double time.

The premium rates for exceeding the scheduled workweek are not so common in part because many contracts specify premium rates for Saturday and/or Sunday, thereby making the premium for exceeding the special workweek redundant. That is, if the contract requires premium pay for Saturday or Sunday, then it is not necessary to specify premium pay for exceeding, say, 40 hours or 5 days per week. The Saturday or Sunday premium in fact is more binding in the sense that it would be required even if these were the only two days that were worked.

Columns 3 and 4 of the top panel of Table 2 indicate that 45 per cent of the agreements specify an overtime premium for Saturday work (usually at time-and-one-half) and 57 per cent specify a premium for Sunday work (usually at double time). The bottom panel for columns 3 and 4 indicates that special premiums for excessive overtime hours on weekends are rare, the most common being double time after 4 hours on Saturday (10 per cent of contracts) or Sunday (4 per cent of contracts). The smaller proportion of contracts requiring a special premium for excessive hours on Sundays reflects the fact that double time Sunday is already more common, compared with time-and-one-half for Saturday work.

Restrictions on Administering Overtime

The third group of hours-of-work and overtime provisions, given in Table 3, refers to clauses that restrict managerial

Table 3
Restrictions on Administration of Overtime

Contract Provision	% With Provision
Minimum overtime guarantees if called back	83.7
1-2 hours..... 5.3	
3 hours.....24.3	
4 hours.....48.6	
5 + hours..... 1.1	
Other..... 4.0	
No provision.....16.7	
Right-to-refuse overtime	49.6
Equitable distribution of overtime	46.7
Restrict overtime until layoffs recalled	2.5
Worksharing required during slack periods	12.2

Source: Data Appendix Tables A12-A16, which were based upon the Ontario Ministry of Labour collective agreements tape as of July 1984.

discretion in the administration of overtime. As Table 3 indicates, almost 84 per cent of the contracts guarantee employees a certain minimum amount of overtime if they are required to return to the plant from home so as to work overtime.[4] Almost half of the contracts guarantee the worker the equivalent of at least 4 hours pay if called back to work overtime, and a further one-quarter guarantee 3 hours pay.

Approximately half of the agreements allow workers the right to refuse overtime. However, in some of these contracts this right to refuse is undoubtedly conditional upon other volunteers being available or the situation not being an emergency. Slightly under half of the agreements also limit management's prerogative in the assignment of overtime by requiring that overtime be distributed equitably; however, the coding scheme is not sufficiently detailed to indicate whether the equity requirement is plant-wide, by occupation or by seniority.

With respect to restricting the use of overtime to encourage worksharing, only 2.5 per cent of the agreements restricted management from scheduling overtime during slack periods until laid-off employees are recalled. Also, only 12 per cent required worksharing in the sense of requiring a reduction in hours or a sharing of work during slack periods.

FACTORS ASSOCIATED WITH DIFFERENT OVERTIME PROVISIONS

In this section, the three sets of overtime provisions--scheduled hours, the overtime premium, and restriction on the administration of overtime -- are cross-tabulated by various factors believed to influence the prevalence of such overtime provisions. These factors are divided into three groups: (1) background variables referring to (a) firm size, (b) industry, (c) union, and (d) region; (2) job security provisions pertaining to (a) subcontracting, (b) the use of employees outside of the bargaining unit, and (c) the existence of severance pay and/or layoff benefits; and (3)

fringe benefit provisions pertaining to (a) holiday entitlement, and (b) fringe benefit costs. This yields nine sets of cross-tabulations of each of these factors associated with the three sets of overtime provisions.

In order to simplify the presentation, many of the overtime variables were combined. Specifically, the essence of work scheduling can be captured by focussing on scheduled daily hours because the weekly hours are largely redundant in that they are invariably equal to daily hours times the workweek, which is overwhelmingly 5 days. In addition, because the major distinction turns out to be whether the scheduled workday is shorter than 8 hours, the hours variable has been collapsed into three categories: less than 8 hours; 8 hours (also includes 5 contracts with no provision, 2 with 8.5 hours, and 1 with 9 hours); and varies and other.

Similarly, the essence of the daily overtime premium can be captured by combining the daily overtime premiums with the daily excessive overtime premiums into the following categories: no provision (presumably straight time); time-and-one-half; time-and-one-half followed by double time; double time; and other. For the balance of the study, the two newly created variables -- scheduled daily hours and daily overtime premium -- are used in conjunction with the four variables pertaining to restrictions on administering overtime.

In the following cross-tabulations, there is an asymmetry in the presentation of the results in that, for the four variables indicating restrictions on administering overtime, only the proportions indicating the existence of such a provision were given. The proportions of contracts without such a provision were not presented since that figure is simply 100.0 minus the reported proportions with such restrictive provisions (the coding being either "yes" or "no" with respect to such provisions). For the variables representing scheduled daily hours and the daily overtime

premium, however, all of the categories are presented so that each column sums to 100.0 (subject to rounding).

The last column of each tabulation (the "Total" column) shows the proportion of contracts offering the provision in question, based on all 893 contracts. The proportion of contracts is also shown for each category of "explanatory variable" (e.g., the four categories of firm size, Table 4). A review of each entry in a given line against the "Total" entry indicates whether the existence of the contract provision differs systematically by firm size, union, region, etc. The chi-squared test statistic (X^2) formally denotes if the variation in the extent of the contract provisions by, for example, firm size, is statistically significant.

Overtime Provisions and Background Variables

Firm Size (Table 4):

By way of illustration, the last column of Table 4 indicates that 62.0 per cent of all contracts specify a scheduled 8-hour day. The 8-hour day is more prevalent in smaller firms than larger firms. The very large firms (200+ employees) are disproportionately more likely to have their scheduled daily hours vary by groups or season.

Of the remaining variables, only the prevalence of the right to refuse overtime changes with size. Somewhat surprisingly, small and medium-size firms (200-1,000) include the contract provision 53 per cent of the time, while large firms (1,000+) include it only about 35 per cent of the time. Although not reported here, larger firms were more likely to allow employees to choose compensatory time-off in lieu of pay.

Industry (Table 5):

To simplify the presentation of the results, the industry variable was divided into three categories: (1) manufacturing industries that made extensive use of the permit system (19 per cent of contracts); (2) other manufacturing industries (28 per cent of contracts); and (3) non-manufacturing (53 per

Table 4
Overtime Provisions by Firm Size
(% of contracts with provisions)

Contract Provision	Firms Size (Number of Employees 200-499	500-999	1000-1999	2000 +	Total
Scheduled Daily Hours ($X^2 = 31.26^{**}$)					
8 Hours	64.4	62.9	54.7	45.2	62.0
<8 Hours	22.5	18.3	29.7	16.1	21.7
Varies & other	13.2	18.9	15.6	38.7	16.2
Daily Overtime Premium ($X^2 = 7.44$)					
1.0 always	5.1	5.7	6.3	3.2	5.2
1.5 always	67.7	63.4	75.0	75.8	70.0
1.5 then 2.0	20.4	23.4	14.1	14.5	20.2
2.0 always	1.9	1.7	1.6	0.0	1.7
Other	4.9	5.7	3.1	6.5	5.0
Restrictions on Administering Overtime					
Right-to-refuse $X^2 = 14.56^{**}$	52.5	54.3	37.5	32.3	50.4
Equal distribution $X^2 = 2.40$	53.0	56.0	56.3	45.2	53.3
Restrict if layoffs $X^2 = 1.81$	2.5	2.9	3.1	0.0	2.5
Worksharing $X^2 = 0.54$	12.3	10.9	14.1	12.9	12.2
% of contracts	66.3	19.6	7.2	6.9	100.0
% of employees	23.4	15.1	11.4	50.2	100.0

Source: Data Appendix Tables A17-A22, which were based upon the collective agreements tape provided by the Ontario Ministry of Labour.

Note: Significance is denoted by ** at the .01 level; N = 893 contracts (representing 770,611 employees) as of July 1984.

Table 5
Overtime Provisions by Industry
(% of contracts with provisions)

Contract Provision	Industry: Heavy Permit Users	Other Mfg.	Non-Mfg. Mainly Service	Total
Scheduled Daily Hours ($X^2 = 256.88^{**}$)				
8 hours	91.6	88.7	37.9	62.0
<8 hours	4.2	4.8	36.6	21.7
Varies & other	4.2	6.5	25.5	16.2
Daily Overtime Premium ($X^2 = 131.44^{**}$)				
1.0 always	1.2	3.2	7.5	5.2
1.5 always	53.9	65.7	74.1	68.0
1.5 then 2.0	42.5	28.6	8.0	20.2
2.0 always	1.8	1.2	1.9	1.7
Other	0.6	1.2	8.6	5.0
Restrictions on Administering Overtime				
Right-to-refuse $X^2 = 150.92^{**}$	79.0	67.3	31.6	50.4
Equal distribution $X^2 = 122.23^{**}$	85.6	61.3	37.9	53.3
Restrict if layoffs $X^2 = 1.47$	3.0	3.2	1.9	2.5
Worksharing $X^2 = 10.26^{**}$	13.2	17.3	9.2	12.2
% of contracts	18.7	27.8	53.5	100.0
% of employees	19.6	15.2	65.2	100.0

Source: Data Appendix Tables A23-A28, which were based upon the collective agreements tape provided by the Ontario Ministry of Labour.

Note: Significance is denoted by ** at the .01 level; N = 893 contracts (representing 770,611 employees) as of July 1984.

cent of contracts), the vast majority of which are in services. The five industries that were designated as heavy permit users are:

Food and Beverages (SIC 101-147);
Iron and Steel (SIC 291, 292, 294);
Automobile Products (SIC 323-325);
Electrical Products (SIC 331-335); and
Chemical Products (SIC 372-379).

Table 5 indicates that there are substantial differences in hour/overtime provisions across the industry groupings. Virtually all (90 per cent) manufacturing contracts (heavy overtime permit users or others) call for the 8-hour day, while only 38 per cent of nonmanufacturing contracts require that schedule. An equal percentage of nonmanufacturing agreements calls for a shorter work day.

Higher overtime premiums are more prominent among the permit users than other groups. Although the 1.5 premium is most common as the initial overtime rate, manufacturing establishments from the high overtime permit use group are more likely to provide for an excessive overtime rate: 43 per cent of those contracts require double time after some threshold (most commonly 4 hours of overtime in a day), compared with 30 per cent for other manufacturing. About 80 per cent of contracts in the high overtime permit industries allow workers to refuse overtime and require management to distribute overtime equitably. Such clauses appear in about 65 per cent of other manufacturing agreements and in only about 35 per cent of nonmanufacturing agreements. Although no differences exist in the prevalence of clauses restricting overtime during layoffs, provisions requiring worksharing were more prevalent in manufacturing industry agreements (13 per cent-17 per cent) than nonmanufacturing agreements (9 per cent). Although not reported here, manufacturing industries practically never allow compensatory time-off in lieu of pay, while nonmanufacturing industries do give workers the option in 40 per cent of the contracts.

Taken together, the results suggest that in response to high overtime use in the manufacturing industry group where permits are used extensively, the parties have negotiated contracts which both increase the cost and reduce management's flexibility in assigning overtime.

Union (Table 6):

The following six unions have been selected because they represent workers in industries with high overtime permit usage: The UAW; the Energy and Chemical Workers; Food and Commercial Workers; Steelworkers; Teamsters; and the Union of Electrical Workers. The remaining two categories selected are the Canadian Union of Public Employees (CUPE), a public sector union included for comparison, and "other," a residual for all other unions.

Table 6 indicates that differences in hours/overtime provisions among unions generally seem to track the sector where their members work. For example, unions like the Steelworkers and the Auto Workers, which represent workers in manufacturing, have almost exclusively 8-hour days while unions in services like CUPE and the Teamsters have a mix of 8-hour and shorter workdays.

In regard to premium rates, the Energy and Chemical Workers have been the most successful at negotiating double time as the basic daily overtime rate (6 of 16 contracts, or 38 per cent). At the other extreme, CUPE agreements are much less likely to have an "excessive" overtime rate of double time (only 8 per cent of their agreements compared with 25-35 per cent for most groupings). The Auto Workers have been the most successful union in restricting the assignment of overtime as virtually all their contracts give workers the right to refuse (92 per cent) and require management to distribute overtime hours equitably (100 per cent). The Steelworkers (73 per cent) and Teamsters (87 per cent) have also succeeded in obtaining the right to refuse provision at

Table 6
Overtime Provision by Union
(% of contracts with provisions)

Contract Provision	CUPE	Energy and Chem.	Food and Com.	Team-	UAW	Elec- trical	Steel	Other	Total
				Union					
Scheduled Daily Hours (X^2 = 156.57)**									
8 hours	36.5	75.0	58.5	66.7	97.3	100.0	95.3	56.5	62.0
<8 hours	35.7	12.5	2.4	10.0	2.7	0.0	0.0	27.7	21.7
Varies & Other	27.8	12.5	39.0	23.3	0.0	0.0	4.7	15.9	16.2
Daily Overtime Premium (X^2 = 203.96)**									
1.0 always	7.9	0.0	2.4	0.0	0.0	0.0	2.4	6.5	5.2
1.5 always	72.2	25.0	65.9	70.0	65.8	75.0	62.4	69.4	68.0
1.5 then 2.0	4.8	31.3	29.3	23.3	34.2	25.0	35.3	18.0	20.2
2.0 always	3.2	37.5	0.0	0.0	0.0	0.0	0.0	1.0	1.7
Other	11.9	6.3	2.4	6.7	0.0	0.0	0.0	5.1	5.0
Restrictions on Administering Overtime									
Right-to-refuse X^2 = 112.72**	33.3	62.5	53.7	86.7	91.8	50.0	72.9	42.2	50.0
Equal distribution X^2 = 111.92**	52.4	81.2	48.8	50.0	100.0	91.7	71.8	42.6	53.3
Restrict if layoffs X^2 = 16.99**	6.4	0.0	4.9	0.0	5.5	0.0	0.0	1.6	2.5
Worksharing X^2 = 37.19**	1.6	6.3	22.0	6.7	6.9	41.7	7.1	15.5	12.2
% of contracts	14.1	1.8	4.6	3.4	8.2	1.3	9.5	57.1	100.0
% of employees	10.4	1.2	4.1	1.7	11.7	1.4	8.6	60.9	100.0

Source: Data Appendix Tables A29-A34, which were based upon the collective agreements tape provided by the Ontario Ministry of Labour.

Note: Significance is denoted by ** at the .01 level and at the .05 level; N = 893 contracts (representing 770,611 employees) as of July 1984.

above the 50 per cent norm. Steelworkers (72 per cent), Electrical Workers (92 per cent) and Energy and Chemical Workers (81 per cent) are also more likely to require an equitable distribution of overtime. Provisions restricting overtime during layoffs, though rare, were found exclusively in the contracts of CUPE, Food and Commercial Workers, and Auto Workers (about 5 per cent of the time). Finally, worksharing provisions are relatively common in the contracts of Electrical Workers (42 per cent) and Food Workers (22 per cent), while being a rarity for other unions (found in only about 5 per cent of contracts).

There do seem to be important differences in contract outcomes among unions. It is not clear, however, whether they derive from divergent philosophies or priorities among unions, or from divergent responses by managements.

Region (Table 7):
Ontario has been divided into four economic areas (North, East, South Central, and South West) to identify any regional patterns in the hours/overtime provisions. Because some contracts apply to establishments in more than one area, a multi-region category is added.

Table 7 indicates that although contracts vary among regions, no consistent pattern emerges. The results probably reflect the industrial and union composition of each region, rather than capturing a distinct "regional effect." For instance, only 4 per cent of Northern Ontario contracts contain a scheduled workday of less than 8 hours compared with 17-27 per cent for other regions. Agreements covering Eastern Ontario workers have lower overtime premiums (10 per cent do not even contain a provision compared with 5 per cent overall). South Western Ontario contracts are more likely to contain clauses with the right to refuse overtime (60 per cent vs. 50 per cent), obviously reflecting the Auto Workers' aforementioned success in negotiating these provisions.

Table 7
Overtime Provision by Region
(% of contracts with provisions)

Contract Provision	Region: Northern Ontario	Eastern Ontario	South Central Ontario	South West Ontario	Multi-Region	Total
Scheduled Daily Hours (X^2 = 71.32)**						
8 hours	83.1	51.3	65.1	72.3	41.3	62.0
<8 hours	4.2	27.6	23.1	17.3	27.3	21.7
Varies & other	12.7	21.1	11.9	10.5	31.4	16.2
Daily Overtime Premium (X^2 = 31.54*)						
1.0 always	2.8	10.5	5.6	1.9	5.8	5.2
1.5 always	74.7	71.1	64.3	69.8	70.9	68.0
1.5 then 2.0	19.7	13.2	23.5	22.2	13.4	20.2
2.0 always	0.0	0.0	1.5	3.7	1.7	1.7
Other	2.8	5.3	5.1	2.5	8.1	5.0
Restrictions on Administering Overtime						
Right-to-refuse X^2 = 23.97**	56.3	50.0	51.5	61.1	35.5	50.4
Equal distribution X^2 = 26.82**	47.9	38.2	53.4	69.1	47.1	53.3
Restrict if layoffs X^2 = 4.49	2.8	1.3	3.4	2.5	0.6	2.5
Worksharing X^2 = 7.94	4.2	9.2	14.8	12.4	10.5	12.2
% of contracts	8.0	8.5	46.1	18.1	19.3	100
% of employees	6.8	5.0	28.1	8.4	51.8	100

Source: Data Appendix Tables A35-A40, which were based upon the collective agreements tape provided by the Ontario Ministry of Labour.

Note: Significance is denoted by ** at the .01 level and * at the .05 level; N = 893 contracts (representing 770,611 employees) as of July 1984.

Finally, no significant regional differences exist for the prevalence of worksharing or overtime restrictions during layoff provisions.

Overtime Provisions and Job Security Provisions

Firms that are faced with stringent job security provisions (e.g., restrictions on contracting out) in these agreements may be compelled to adjust to deviations in demand by increasing overtime. (Since the contract data do not contain information on overtime usage, this hypothesis cannot be directly tested.) The increased reliance on overtime in such circumstances may induce firms to try to negotiate overtime provisions that are more favourable to them as a quid pro quo for accepting the more stringent job security provision with its concomitant increase in overtime. Of course, this may be resisted by unions who will be trying simultaneously to negotiate more favourable overtime provisions.

Subcontracting and nonbargaining unit employees (Table 8):

In order to determine the relationship between overtime provisions and job security provisions, we constructed three job security variables. The first, on contracting out and the use of employees outside of the bargaining unit, had three categories in ascending order of being favourable to the union: no restriction on either subcontracting or the use of nonbargaining unit employees (23 per cent of contracts); restriction on either of the above (49 per cent of contracts); and restriction on both (29 per cent of contracts).

Table 8 generally suggests that contracts that provide more favourable overtime provisions for employees also provide more favourable job security provisions restricting the use of contracting out and the use of employees outside of the bargaining unit. This is most noticeable with respect to restrictions on management's ability to administer overtime

Table 8
Overtime Provisions and Subcontracting and Use of Nonbargaining Unit Employees
(% of contracts with provisions)

Overtime Provision	Restrictions on Subcontracting and Use of Nonbargaining Unit Employees: No Restriction	Either Restriction	Both Restrictions	Total
Scheduled Daily Hours ($X^2 = 11.27^*$)				
8 hours	58.2	62.2	64.7	62.0
<8 hours	18.9	21.7	23.9	21.7
Varies & other	22.9	16.0	11.4	16.2
Daily Overtime Premium ($X^2 = 53.06^{**}$)				
1.0 always	11.0	4.6	1.6	5.2
1.5 always	70.7	66.1	69.0	68.0
1.5 then 2.0	7.0	24.3	23.5	20.0
2.0 always	2.0	1.6	1.6	1.7
Other	9.4	3.4	4.3	5.0
Restrictions on Administering Overtime				
Right-to-refuse $X^2 = 47.71^{**}$	30.9	52.0	63.1	50.4
Equal distribution $X^2 = 52.31^{**}$	33.8	53.8	67.8	53.3
Restrict if layoffs $X^2 = 8.86^*$	0.5	2.1	4.7	2.5
Worksharing $X^2 = 17.87^{**}$	8.0	16.9	7.5	12.2
% of contracts	22.5	48.9	28.6	100.0
% of employees	25.9	45.3	28.8	100.0

Source: Data Appendix Tables A56-A61, which were based upon the collective agreements tape provided by the Ontario Ministry of Labour.

Note: Significance is denoted by ** at the .01 level and * at the .05 level; N = 893 contracts covering 770,611 employees as of July 1984.

(bottom panel), which tend to be disproportionately more prevalent in contracts that also place restrictions on either or both contracting out and the use of nonbargaining unit employees. For example, only 31 per cent of the contracts which have no restrictions on subcontracting grant the right to refuse overtime, compared with 61 per cent of the contracts which restrict both subcontracting and the use of nonbargaining unit employees and which grant the right to refuse overtime. The relationship between the daily overtime premium and subcontracting provisions is less clear, albeit those contracts which neither restrict subcontracting nor the use of nonbargaining unit employees do tend to contain provisions for smaller overtime premiums. No clear pattern emerges with respect to the scheduled daily hours provisions and the use of subcontracting.

Seniority in Layoffs (Table 9):

The second job security variable pertained to the use of seniority in layoffs. It too contained three categories in ascending order of being favourable to the union: no seniority provisions; seniority is a factor; and seniority is the sole or primary factor. Table 9 indicates that contracts which put greater emphasis on seniority as the basis for layoffs also tend to have overtime provisions that are more favourable to unions -- higher overtime premiums, and more frequent rights to refuse, requirements for an equitable distribution of overtime and worksharing. Only the scheduled workday variable suggests a trade-off with stricter seniority provisions being associated with the 8-hour rather than a shorter scheduled workday before the overtime premium applies. Seniority provisions and restrictions on overtime in search periods are unrelated.

Table 9
Overtime Provisions and Seniority in Layoffs
(% of contracts with provisions)

Contract Provision	Importance of Seniority in Selection of Employees to be Retained if Layoffs: No Provision	Seniority a Factor	Seniority Primary Factor	Total
Scheduled Daily Hours ($X^2 = 54.83^{**}$)				
8 hours	32.3	71.2	63.8	62.0
<8 hours	48.4	12.5	20.5	21.7
Varies & other	19.4	16.3	15.8	16.2
Daily Overtime Premium ($X^2 = 33.70^{**}$)				
1.0 always	9.7	8.7	3.4	5.2
1.5 always	72.0	69.6	66.9	68.0
1.5 then 2.0	7.5	17.4	22.9	20.2
2.0 always	0.0	0.5	2.3	1.7
Other	10.8	3.8	4.6	5.0
Restrictions on Administering Overtime				
Right-to-refuse $X^2 = 58.80^{**}$	14.0	48.4	56.5	50.4
Equal distribution $X^2 = 26.89^{**}$	38.7	41.3	59.1	53.3
Restrict if layoffs $X^2 = 0.29$	3.2	2.2	2.4	2.5
Worksharing $X^2 = 10.10^{**}$	9.7	6.0	14.5	12.2
% of contracts	10.4	20.6	69.0	100.0
% of employees	21.9	14.8	63.3	100.0

Source: Data Appendix Tables A62-A67, which were based upon the collective agreements tape provided by the Ontario Ministry of Labour.

Note: Significance is denoted by ** at the .01 level; N = 893 contracts covering 770,611 employees as of July 1984.

Severance pay and Layoff benefits (Table 10):

The third job security variable pertains to the existence of severance pay and/or layoff benefits. It also is constructed with three categories in ascending order of being favourable to the union: existence of neither severance pay nor layoff benefits (69 per cent of contracts); existence of either of these provisions (20 per cent of contracts), and existence of both (11 per cent of contracts). Table 10 indicates that this variable is significantly related only to daily scheduled hours and right to refuse provisions, and the direction of the relationship is mixed. This insignificant or mixed relationship may reflect the crudeness of the index since the actual values of severance pay and layoff benefits are not known.

Overtime Provisions and Fringe Benefits

Some fringe benefits can create person-specific costs that are quasi-fixed per employee and hence may encourage employers to work their existing employees overtime rather than hiring new employees since the latter are associated with additional fixed costs. (Again, since the contract data not contain information on overtime usage, this hypothesis of a positive relationship between fringe benefits and overtime usage cannot be tested directly.) As with the job security provisions, all that can be determined is whether the higher quasi-fixed costs associated with the fringe benefits lead to overtime provisions that are more favourable to employers in return for accepting the fringe benefits with their concomitant increase in overtime.

Paid Public holidays (Table 11):

The first variable used to capture the importance of person-specific (as opposed to hours-related) fringe benefits is the number of designated holidays grouped into 2-day ranges. Each holiday costs an employer about 0.5 per cent of straight

Table 10
Overtime Provisions and Severance Pay and Layoff Benefits
(% of contracts with provisions)

Contract Provision	Severance Pay or Layoff Benefit Provisions: No severance pay or layoff provision	Either severance pay or layoff benefits	Both severance pay and layoff benefits	Total
Scheduled Daily Hours ($X^2 = 47.39^{**}$)				
8 hours	63.5	67.8	42.4	62.0
<8 hours	21.5	10.0	44.4	21.7
Varies & other	15.0	22.2	13.1	16.2
Daily Overtime Premium ($X^2 = 13.89^{**}$)				
1.0 always	5.4	3.9	6.1	5.2
1.5 always	69.2	60.0	74.8	68.0
1.5 then 2.0	18.6	28.3	15.2	20.2
2.0 always	1.5	2.8	1.0	1.7
Other	5.4	5.0	3.0	5.0
Restrictions on Administering Overtime				
Right-to-refuse $X^2 = 15.02^{**}$	51.1	57.2	33.3	50.4
Equal distribution $X^2 = 2.67^{**}$	51.5	57.2	57.6	53.3
Restrict if layoffs $X^2 = 3.10$	2.9	2.2	0.0	2.5
Worksharing $X^2 = 4.29$	13.4	11.7	6.1	12.2
% of contracts	68.7	20.2	11.1	100.0
% of employees	47.3	31.0	21.7	100.0

Source: Data Appendix Tables A68-A73, which were based upon the collective agreements tape provided by the Ontario Ministry of Labour.

Note: Significance is denoted by ** at the .01 level; N = 893 contracts covering 770,611 employees as of July 1984.

Table 11
Overtime Provisions by Paid Holiday
(% of contracts with provisions)

Contract Provision	Paid Holidays < 10 days	10-11 days	12-13 days	14 + days	Other	Total
Scheduled Daily Hours (X^2 = 125.88)**						
8 hours	51.2	47.2	80.1	89.7	50.0	62.0
<8 hours	24.4	33.7	6.2	8.6	33.3	21.7
Varies & other	24.4	19.1	13.7	1.7	16.7	16.2
Daily Overtime Premium (X^2 = 163.89)**						
1.0 always	29.3	4.9	3.1	0.0	16.7	5.2
1.5 always	46.3	75.3	64.0	50.0	33.3	68.0
1.5 then 2.0	4.9	13.1	27.3	50.0	0.0	20.2
2.0 always	0.0	1.7	2.2	0.0	0.0	1.7
Other	19.5	4.9	3.4	0.0	50.0	5.0
Restrictions on Administering Overtime						
Right-to-refuse X^2 = 90.98**	36.6	38.2	63.4	89.7	16.7	50.4
Equal distribution X^2 = 99.75**	43.6	66.5	89.7	33.3	53.3	
Restrict if layoffs X^2 = 3.22	4.9	2.2	2.2	5.2	0.0	2.5
Worksharing X^2 = 13.32**	14.6	15.7	8.4	5.2	0.0	12.2
% of contracts	4.6	52.2	36.1	6.5	0.7	100.0
% of employees	3.3	61.7	26.0	8.7	0.3	100.0

Source: Data Appendix Tables A74-A79, which were based upon the collective agreements tape provided by the Ontario Ministry of Labour.

Note: Significance is denoted by ** at the .01 level; N = 893 contracts covering 770,611 employees as of July 1984.

annual payroll (assuming a 200-day work year). Vacation data would also be important, but without knowing the demographics of a bargaining unit it is impossible to determine how vacation provisions (i.e., 4 weeks' vacation after 10 years) translate into vacation costs.

Table 11 indicates that contracts with additional designated holidays also tend to have higher overtime premiums and more often contain clauses concerning the right to refuse and the equal distribution of overtime. Holiday entitlements are, however, inversely related to a shorter than 8-hour workday and the prevalence of worksharing provisions.

Fringe benefit costs (Table 12):

The second fringe benefit variable is an index aimed at combining the various fringe benefits data available and weighting them by a measure of employer cost. The index is the sum of five specific fringes: dental plans, OHIP, supplementary medical plans, group life insurance, and sick leave. If a contract does not include a specific clause, that portion of the sum is set equal to zero. If the contract does include such a clause, the average cost of such a plan is added to the index. The best cost data we could obtain was the 1984 national survey by the Pay Research Bureau (1984). For example, the average employer cost of group life insurance premiums per employee was $119 for nonoffice jobs (this average figure does not include those firms which do not contribute to such a plan). If a sample contract has a group life plan, $119 would be added to that contract's fringe benefit index.[5] The resulting index is based on less than perfect assumptions, but should indicate the order of magnitude of fringe benefit costs. The score was divided into low, medium, and high fringe benefit contract costs.

Table 12 indicates that unlike the other contract provision variables, there does seem to be a trade-off between the

Table 12
Overtime Provisions by Fringe Benefit Costs
(% of contracts with provisions)

Contract Provision	Cost of Fringe Benefit Package: Low $ Benefits	Medium $ Benefits	High $ Total	Total
Scheduled Daily Hours ($X^2 = 206.26^{**}$)				
8 hours	85.6	71.7	34.9	62.0
<8 hours	2.9	20.3	39.1	21.7
Varies & other	11.4	8.0	26.0	16.2
Daily Overtime Premium ($X^2 = 38.17^{**}$)				
1.0 always	4.6	5.5	5.4	5.2
1.5 always	65.7	66.2	71.1	68.0
1.5 then 2.0	23.5	27.0	12.6	20.2
2.0 always	1.6	0.0	2.9	1.7
Other	4.6	1.3	8.0	5.0
Restrictions on Administering Overtime				
Right-to-refuse $X^2 = 67.87^{**}$	63.7	58.2	33.4	50.9
Equal distribution $X^2 = 55.51^{**}$	60.8	65.8	38.3	53.3
Restrict if layoffs $X^2 = 1.93$	2.9	1.3	2.9	2.5
Worksharing $X^2 = 12.34^{**}$	17.0	7.2	11.4	12.2
% of contracts	34.3	26.5	39.2	100.0
% of employees	25.8	38.3	35.9	100.0

Source: Data Appendix Tables A80-A85, which were based upon the collective agreements tape provided by the Ontario Ministry of Labour.

Note: Significance is denoted by ** at the .01 level; N = 893 contracts covering 770,611 employees as of July 1984.

fringe benefit cost and overtime provisions. Contracts from the high cost category tend to have slightly lower overtime premiums (double time as an excessive rate is rare), and less often include requirements on overtime assignments and worksharing than do contracts with lower benefit costs. Again, daily hours is the exception, shorter hours being associated with higher fringe costs.

Given the somewhat anomalous results for the fringe benefit index (not theoretically, but compared with other contract provisions), a further refinement has been added by dividing the original fringe benefit index by the overtime premium wage rate.[6] As discussed earlier, firms may base their decision about overtime usage on the relative cost of fringe benefits to that of overtime hours, not their absolute cost. If fringe benefit costs and the overtime premium wage rate were both 25 per cent above average, their effects would cancel out, resulting in average overtime usage and provisions. Unfortunately, base-wage-rate data are not available for the entire sample, so the cross-tabulations will be based on 380 cases (Tables A86-A91 of the data appendix). The results (unreported) for the ratio of fringe benefit costs to the overtime wage rate, though less definitive, resemble those for absolute benefit cost. There is still an inverse relationship between relative benefit cost and the prevalence of right to refuse and worksharing provisions, and a direct relationship between benefit cost and a shorter scheduled workday. Unlike the absolute cost variable, relative fringe cost is not associated with the size of overtime premiums or the prevalence of equal overtime distribution requirements.

In summary, rather than demonstrating trade-offs among contract clauses, agreements with favourable provisions to one of the parties in job security or holidays tend to be favourable to that party in most other areas, including hours and overtime. The exception is fringe benefit cost, which indicates some trade-offs.

INTERNAL TRADE-OFFS BETWEEN OVERTIME PROVISIONS

The six variables representing the hours-of-work and overtime provisions themselves (i.e., the contract provisions of the previous cross-tabulations) were also cross-tabulated against each other to see if there were any internal trade-offs involved. This would address such questions as: do unions that negotiate a shorter scheduled workday also get a higher overtime premium or do they have to accept a lower premium in return for its being triggered earlier? Or, do unions that negotiate a high overtime premium also get the right to refuse overtime or may they have to give up that right in return for the higher premium? A complete answer to these questions would require relating each of these variables to all contract provisions including straight-time wages (basically the equivalent of hedonic wage equations using principal component analysis). Nevertheless, some insight can be obtained by the simple two-way cross-tabulations highlighting the gross relationships (given in Tables A53-A67 of the data appendix and summarized here verbally).

The task is simplified by the fact that many of the variables turn out to be consistently related to each other in a specific fashion and hence they can be combined into groups. Specifically, the daily premium rate, the right to refuse, and the equitable distribution requirement are strongly and positively correlated; that is, contracts with higher daily overtime premiums more frequently contain provisions allowing employees the right to refuse overtime and requiring employers to distribute overtime equitably. There does not seem to be a trade-off among these variables; in fact, they are positively associated with each other.

In contrast, the prevalence of a workday shorter than 8 hours is inversely related to all three of these provisions. That is, unions that are able to get a shorter workday (after which the overtime premium is triggered) apparently do so by

having to accept somewhat of a lower overtime premium, less right to refuse overtime, and a less equitable distribution of overtime. Perhaps not too much should be made of this, however, since the vast majority of contracts that specify a shorter than 8-hour workday specify a 7.5-hour day, which is not substantially different from the 8-hour day.

MULTIVARIATE ANALYSIS

The previous analysis, based upon two-way cross-tabulations, provides a simple and readily understandable portrayal of the gross relationship between overtime provisions and various other factors believed to influence those provisions. For many purposes the gross relationship is all that matters; however, for some purposes it may be informative to know the net relationship that prevails, after controlling for the effect of the other variables. Multiple-regression analysis provides a measure of the impact of one explanatory variable (e.g., union) on the dependent variable (e.g., overtime premium), after controlling for the effects of other independent variables included in the regression (e.g., firm size, industry, region, and other contract provisions). This enables one to see, for example, if unions have had a separate impact on the overtime premium or if the gross impact that may come across in the simple two-way cross-tabulations simply reflects the fact that unions may predominate in the larger firms or certain industries where overtime premiums are paid.

The regression results, given in Table 13, are based upon ordinary-least-squares regression for six overtime provisions (dependant variables) that were discussed previously in the cross-tabulations (and are defined in the notes on Table 13). The only change is that the "varies/other" category for the scheduled daily hours variable was omitted because it was not clear if it implied a shorter or longer than 8-hour day. Also the daily overtime premium categories were merged into two categories with the "1.5 then 2.0" and the "2.0 always"

categories merged into a category indicating "some double time." These changes mean that all of the dependent variables are dichotomous, coded 1 if the provision is favourable to the union, 0 otherwise. This means that positive regression coefficients are interpreted as implying a more favourable situation for the union, and negative ones a more favourable situation for employers. This conversion of the six dependent variables to a common dichotomous format facilitates comparisons of the results across the six variables.

The definitions of the explanatory variables were also discussed earlier. The only explanatory variable that is in continuous form is the fringe benefits variable which is the dollar value of the fringe benefits as discussed in the cross-tabulations. The other explanatory variables are in categorical form. Hence, these regression coefficients are interpreted as the effect, on the probability of having the overtime provision (e.g., < 8 hour trigger, right to refuse), of being in the category in question relative to the reference category (given in parentheses in the case of more than one category). If there was only one category (coded 1 if exists, 0 otherwise), such as the variable "restrict subcontracting," then we have omitted the implicit reference category of "no restrictions in subcontracting."

Because the dependent variables are dichotomous or binary-coded (e.g., coded 1 if right to refuse exists, 0 otherwise), the ordinary-least-squares regression equation can be interpreted as a linear probability function. That is, the regression coefficients are approximations of the change in the probability of the contract provision existing associated with a unit change in the explanatory variables (e.g., by being in the category in question as opposed to the reference category). They are approximations because ordinary-least-squares regression does not constrain the predicted probabilities to the unit internal; hence, it is possible to have a predicted probability that is greater than 1 or less

than 0. Nonlinear estimation techniques such as logit or probit analysis would constrain the predicted probabilities to the unit internal but at the expense of giving results that are more cumbersome to present because the change in probabilities is not constant but has to be evaluated for different levels of the probability.

Because we attach more emphasis to the sign and statistical significance of our results, rather than to the precise magnitude of the coefficient, we present the simpler ordinary-unit-squares results. Logit results (unreported) were quite similar and hence are not presented, given their cumbersome nature. It is quite common for probit or logit and ordinary-unit-squares results to be similar at least as long as the dependant variable is not too close to 1 or 0. Hence, we have less confidence in our results for the worksharing variable and especially the variable on restriction if there is a layoff, since the means of those variables are, respectively, 0.122 and 0.025.

Given the myriad of results contained in Table 13, we restrict our discussion mainly to those variables that are statistically significant or quantitatively important, or where pronounced patterns exist. (Recall that a positive coefficient is interpreted as being associated with a higher probability of having a clause more favourable to the union.)

The firm size variable suggests no obvious pattern once other variables are controlled for in the regression. Very large firms (2,000+) are 13 per cent less likely than the very small firms (200-499 employees) to have a shorter scheduled workday before the overtime premium commences, and larger firms are more likely to have a worksharing arrangement.

Manufacturing firms are also less likely to have a shorter workday before the overtime premium commences. However, they are much more likely to have all of the other contract provisions favourable to the union -- a higher overtime

premium, the right to refuse, the equitable distribution of overtime, restrictions if there are layoffs, and worksharing. There is substantial variation across unions, with most of the unions with high permit usage having a shorter scheduled workday before the overtime premium applies. The Energy and Chemical Workers tend to have double-time provisions with such provisions being significantly less common in the UAW. The Teamsters, UAW and Steelworkers have been the most successful in winning the right to refuse with the latter two unions and the Electrical Workers also winning equal distribution restrictions. Worksharing was most likely for the Electrical Workers and least likely for CUPE, the UAW, and the Steelworkers.

No notable regional patterns prevail except that the shorter workday before overtime commences is less common in Northern Ontario. Unions that win restrictions on the use of nonbargaining unit employees also tend to have double-time provisions. However, the pattern is more mixed for unions that win provisions basing layoffs on seniority. They tend not to negotiate a shorter workday before overtime commences, but are more likely to have the right to refuse overtime. Less common are the equitable distribution of overtime, restrictions on overtime in the presence of layoffs, and worksharing during layoff periods. Presumably, unions that are strong on seniority provisions are guided by the preferences of the more senior members who are less concerned with sharing overtime or with the threat of layoffs.

Similarly, a mixed pattern prevails for unions that negotiate severance pay and/or layoff benefits. If they negotiate both, they are more likely to have both a shorter workday before overtime commences and the right to refuse. However, they are less likely to be concerned about worksharing directly or through restricting overtime, presumably because they have negotiated the severance pay and layoff benefit. No noticeable pattern exists with respect to the variables indicating negotiated holidays with pay, except perhaps that

Table 13
Regression Results; Determinants of Various Overtime Provisions, Ontario 1984

Explanatory Variables	Dependent Variables: Overtime Commences <8 hours (1)	Some Double Time (2)	Right-to-Refuse (3)	Equal Distribution (4)	Restrict if Layoffs (5)	Work-sharing (6)
(200-499 employees)						
500-999	-.023	.021	.386	.024	.007	.003
1000-1999	.040	-.032	-.092	.032	.009	.078*
2000+	-.130*	-.041	-.028	-.029	-.008	.046
(Nonmanufacturing)						
Permit use manufacturing	-.254	.279	.264*	.300*	.027	.056
Other manufacturing	-.211*	.155*	.189*	.121*	.035*	.104*
CUPE	-.122*	-.054	.052	.259*	.060	-.096*
Energy & chemical	-.115	.432*	.082	.256*	-.014	-.110
Food & commercial	-.173*	.039	.025	.008	.021	-.019
Teamsters	-.123	-.029	.344*	-.054	-.016	-.058
U.A.W.	-.127*	.176*	.260*	.260*	.016	-.087*
Electrical Workers	.061	-.175	-.1 4	.214*	-.016	.269*
Steelworkers	-.105*	.059	.. 6	.159*	-.036*	-.218*
(Multi region)						
Northern Ont.	-.212*	-.063	.030	-.137*	.021	-.034
Eastern Ont.	.002	-.115*	.038	-.167*	-.009	-.035
South Central Ont.	-.023	-.016	-.028	-.059	.009	.015
South West Ont.	-.022	-.086	-.050	-.014	-.001	-.004

Table 13 continued

Explanatory Variables	Dependent Variables: Overtime Commences <8 hours (1)	Some Double Time (2)	Right-to-Refuse (3)	Equal Distribution (4)	Restrict if Layoffs (5)	Work-sharing (6)
Restrict subcontracting	.080	.015	.019	.049	.010	-.065
Restrict non-barg. employee	.102*	.074*	.140*	.160*	.029*	.114*
(No seniority provision on layoffs)						
Seniority a factor	-.175*	-.025	.209*	.001	-.054*	-.031
Seniority prime factor	-.219*	-.057	.122*	-.120*	-.051*	-.100*
(Neither provision)						
Severance pay or layoff benefit	-.034	.050	-.038	-.027	-.008	-.029
Severance pay and layoff benefit	.141*	.001	-.012	.156*	-.038*	-.113*
(Other)						
<10 days holidays	.134	-.019	.101	-.319*	.045	.107
10-<12 days holidays	.109	.071	.079	-.021	.029	.142
12-<days holidays	-.040	.173	.174	.093	.018	.037
14 or more days holidays	.036	.361	.254	.055	.031	-.029

Table 13 concluded

Explanatory Variables	Dependent Variables: Overtime Commences <8 hours (1)	Some Double Time (2)	Right-to-Refuse (3)	Equal Distribution (4)	Restrict if Layoffs (5)	Work-sharing (6)
Fringe benefits ($00's)	.038*	.006	-.015*	-.017*	.000	.003
Intercept	.143	-.035	.131	.448*	.004	.006
Sample size	747	847	892	892	892	892
R^2	.459	.178	.280	.290	.045	.128
F	22.61*	6.57*	12.43*	13.06*	1.52	4.68*
Mean dependent variable	.259	.230	.504	.533	.025	.122

Note: Significance at the 0.01 level is denoted by *.

(1) Overtime commences before 8 hours/day = 1, otherwise = 0
(2) Double time is the daily overtime rate after a fixed number of hours = 1, otherwise = 0
(3) Employees have the right to refuse overtime = 1, otherwise = 0
(4) Employers are required to distribute overtime equitably = 1, otherwise = 0.
(5) Overtime is restricted until laid off employees are recalled = 1, otherwise = 0.
(6) Work sharing is required during slack periods = 1, otherwise = 0.

those unions that had negotiated more holidays also had higher overtime premiums, possibly reflecting their desire to reduce the working time of their members.

High fringe benefits tend to be associated with a shorter workday before the overtime premium commences. This is unexpected, given the desire of employers to expand the workday to amortize some of the quasi-fixed fringe benefit costs. On the other hand, higher fringe benefits are associated with less likelihood of the worker having the right to refuse overtime or to have the overtime equitably shared, perhaps because employers want to be able to amortize the quasi-fixed fringe benefit costs over longer hours. However, this did not show up in the worksharing variable or the variable indicating restrictions on overtime in the presence of layoffs.

OVERTIME GRIEVANCE ARBITRATION CASES

The previous discussion dealt with the existence of hours-of-work and overtime provisions in collective agreements. When the parties to the collective agreement disagree over the interpretation of the clause in the agreement, they may have to go to arbitration for a ruling on how the clause should be interpreted.

Table 14 indicates that overtime issues are not a major source of grievance arbitration cases. They occur less commonly than issues pertaining to discharge, discipline, seniority, and wages (the subjects of about two-thirds of the cases). Nevertheless, overtime issues are not inconsequential as a source of grievance arbitration. Somewhat surprisingly they appear to have declined in relative importance over time in spite of the increase in overtime usage. This could reflect the fact that there are fewer issues to dispute when overtime is more readily available.

Table 14
Relative Frequency of Overtime Issues in Arbitration Cases, Ontario, Various Years 1975-83
(% of all cases)

Issue	1975	1976	1977	1978	1980	1982	1983
Overtime	7.7	5.5	4.1	5.7	4.9	5.5	3.6
Work scheduling	4.1	2.8	2.7	2.7	2.4	2.9	3.6
Discharge/ discipline	37.6	42.4	43.1	44.7	45.3	40.0	36.3
Wages	8.9	8.6	7.8	6.6	9.2	9.5	9.8
Welfare	4.1	3.8	2.9	4.2	3.6	5.2	4.2
Pensions	0.8	0.4	0.6	0.8	0.5	0.1	0.4
Vacation	5.0	5.0	5.4	4.3	5.2	5.6	2.5
Seniority	15.2	16.7	15.6	12.9	11.6	12.3	19.2
Guarantees	1.0	1.7	2.4	2.2	1.3	1.5	1.4
Job evaluation	2.7	2.2	1.5	2.1	1.2	6.6	3.0
Working conditions	1.3	0.2	0.5	0.9	2.0	0.2	1.8
Scope	10.1	7.6	8.6	17.9	17.3	1.2	4.4
Arbitrability	3.5	4.6	5.6	5.9	1.2	1.8	2.4
Miscellaneous	7.0	6.8	6.9	4.0	4.2	18.9	9.5
All issues[a]	109.0	108.3	107.7	114.9	109.9	111.3	102.1
Number of cases	938	1049	1075	1168	1405	1598	1492

Source: Special tables provided by Ontario Ministry of Labour.

[a] Sums to more than 100.0 per cent because some cases may involve more than one issue.

Table 15 indicates that the most common issues that were involved in grievance arbitration cases reported in Labour Arbitration Cases (LAC) were daily/weekly overtime (pertaining to such issues as how the workweek is defined) and the definition of overtime (e.g., travel time, time for occasional consultations), with the other issues being roughly of the same order of importance. The fact that issues pertaining to entitlement to overtime and the distribution of overtime together constituted approximately 25 per cent of the cases indicates that overtime is sufficiently desired by some workers that disputes arise over its allocation. The fact that compulsory overtime issues arise in 14 per cent of the cases also indicates that some workers want the individual right to refuse overtime when it is not desired. Clearly, overtime is desired by many workers (hence, the disputes over how it is allocated) and not desired by others (hence the disputes over the right to refuse).

Table 15 also compares the reported overtime awards in two time periods. Column 2 gives the reported awards that were initiated in the years 1978-81 (years of relatively low unemployment) and column 3 gives the reported awards that were initiated in the period 1982-85. Unfortunately, it is not possible to use the data to indicate trends or comparisons in periods of different unemployment rates since they refer to cases that are reported in LAC, and this does not equal all of the actual overtime cases (as given earlier in Table 14). The LAC cases are reported for their precedence value and are not a specific proportion of the number of actual cases in a given year. The proportion of the cases reported for the years for which the actual number of overtime cases is available (from Table 14) is: 14 per cent in 1980, 5 per cent in 1982 and 8 per cent in 1983.

Subject to this qualification, a comparison of columns 2 and 3 in Table 15 indicates that the number of reported cases was

Table 15
Reported Overtime Awards by Subject of Award, Ontario 1980-86
(% of all cases)

Subject of Award[a]	All Cases 1980-86 (1)	Initiated Prior to (2)	Initiated 1982-85 (3)
Daily/Weekly overtime[b]	19	17	23
Overtime work definition[c]	16	13	23
Compulsory overtime	14	17	8
Entitlement to overtime	14	21	0
Overtime pay	14	13	15
Remedies[d]	14	13	15
Distribution of overtime	11	8	15
Total %[e]	100	100	100
Total cases[f]	37	24	13

Source: Labour Arbitration Cases, Volumes 22-30 (2d), 1-22 (3d); Toronto: Carswell, 1980-86.

[a] The meaning of the headings listed in this column is given in more detail in the last column of table 16, which illustrates the nature of the issue.

[b] Refers to such issues as the definition of the workweek and when overtime is triggered.

[c] Refers to such issues as whether workers are on overtime when travelling or for occasional consultations.

[d] Refers to the appropriate remedy for the redress of an overtime award.

[e] Subject to rounding error.

[f] The actual number of cases reviewed is 35, 22 or which were initiated prior to 1982. Two cases have been listed under both "Daily/weekly overtime" and "overtime pay."

lower in the recent period, paralleling the decline in actual cases reported earlier in Table 15. Somewhat paradoxically, the relative importance of compulsory overtime declined (suggesting that the individual right to refuse was less important in the recent depressed economic conditions) and yet the two variables reflecting disputes over the allocation of overtime moved in opposite directions, with disputes over entitlement declining and disputes over the distribution of overtime increasing. Given the small number of cases and the fact that the number of reported cases may not be representative of the actual cases, it is really not possible to get a picture of the time pattern of the grievances on overtime.

Table 16 lists the overtime cases by subject and provides information on the parties to the dispute, the grievance and arbitration dates, the issue at hand, and the decision. These subject areas will be examined individually.

The five reported cases dealing with compulsory overtime focus on the employee's right to refuse overtime work, and in particular on whether the collective agreement embodies the "consent" of the employee to work overtime beyond 8 hours a day and 44 hours a week as required by the Employment Standards Act, 1974. A major case in this area, the 1974 Supreme Court of Canada decision in Re: United Steelworkers Local 2894, and Galt Metal Industries Ltd., stated that "such consent or agreement must be related specifically to the performance of work by the employee beyond the normal statutory legal limits." This decision does not, however, address the issue of whether consent of the employee's agent can be given in a collective agreement. Of the five cases reviewed here, the two earlier cases follow the same basic argument of the Supreme Court decision, relying on this precedent and others in concluding that the collective agreement must make specific reference to the "consent" required in the Act in order for employers to be able to compel employees to work overtime. However, the decisions in

TABLE 16 SUMMARY OF ONTARIO OVERTIME ARBITRATIONS REPORTED IN LABOUR ARBITRATION CASES 1980-1986 BY CATEGORY

Category	Employer	Union	Initiation of Grievance	Arbitration Date	Decision	Issue
1. Compulsory	a) Walker Exhausts	United Steelworkers, Local 2994	July 1979	Nov. 22, 1979	Union	Whether compulsory overtime provisions indicate "consent" to work overtime
	b) Dashwood Industries Ltd.	United Brotherhood of Carpenters and Joiners, Local 3054	June 1979	Oct. 23, 1979	Union	Whether the overtime provisions of the collective agreement constitute "consent"
	c) Algoma Steel Corp.	United Steelworkers of America, Local 2251	December 1979	Nov. 12, 1980	Employer	Whether the wording of the collective agreement constitutes "consent"
	d) Robert Hunt Corp.	United Brotherhood of Carpenters and Joiners of America, Local 3054	November 1980	Jan. 22, 1982	Employer	Whether overtime is compulso
	e) 7-Up/Pure Spring of Ottawa Division of 7-Up Canada Ltd.	United Brewery Workers, Local 357	May 1985	Nov. 30, 1985	Employer	Whether the grievor had the right to refuse overtime due to personal reasons; whether overtime is compulsory
2. Daily/Weekly Overtime	a) Labatts Ltd.	Can. Union of United Brewery, Flour, Cereal, Soft Drink & Distillery Workers, Local 304	October 1979	Jan. 14, 1980	Employer	Whether, given non-scheduled work prior to regular shift, regularly scheduled hours constitute overtime
	b) Noranda Metal Industries Ltd. (Fergus Division)	International Brothers of Electrical Workers, Local 2345	February 1980	July 7, 1980	Union	When the "workday" begins; whether a workday of 24 hou can fall between 2 different workweeks
	c) Dominion Bridge Co. Ltd.	United Steelworkers, Local 3990	Not given	Aug. 26, 1980	Employer	Whether hours prior to regul shift constitute overtime; Whether 3 hours worked on a Saturday a.m. directly after a Friday regular shift should be paid simple overtime or the Saturday shift overtime rate
	d) Sunny Orange Canada (1966) Ltd.	United Food and Commercial Workers International Union, Local 114-3P	February 1981	July 24, 1981	Union	Whether overtime should be calculated on calendar week, or any other 7-day period
	e) Labatt's Ontario Breweries	International Union of Operating Engineers, Local 772	January 1982	April 25, 1983	Union	Whether overtime rates are payable for Sunday work duri a compressed workweek due statutory holiday
	f) Lake Ontario Cement Ltd.	United Cement, Lime and Gypsum Workers International Union, Local 337	September 1982	Jan. 25, 1984	Employer	Whether an article providing for overtime pay for hours worke in excess of 10 over a 24 hou eri or in a workday means overtime rates are payable on hours in next regular shift when shifts change
	g) Douglas Ltd.	United Glass and Ceramic Workers, Local 203	September 1983	Dec. 4, 1984	Union	Whether overtime is payable r time worked "in excess of the employee's normally scheduled wor hours" when the full shift is not worked due to lateness

Category	Employer	Union	Initiation of Grievance	Arbitration Date	Decision	Issue
3. Distribution	a) Federal White Cement Ltd.	United Cement Workers, Local 368	Not given	April 9, 1981	Union	Whether the grievor, or the person who had the lowest amount of accumulated overtime at the time the improper distribution occurred should be compensated
	b) Reid Dominion Packaging Ltd.	Teamsters Union, Local 379	May 1981	Aug. 31, 1981	Employer	Whether the procedure for scheduling overtime is applicable to overtime requirement arising on short notice
	c) Northern Telecom Canada Ltd.	United Automobile Workers, Local 1839	December 1982	July 15, 1983	Employer	Whether the fact that one employee has worked more overtime hours than others demonstrates a violation of the overtime equalization plan
	d) Municipality of Metro Toronto	Canadian Union of Public Employees, Local 43	January 1983	Dec. 7, 1983	Union	Whether the expression "as equitably as possible" means among those in a given classification;
					Employer (no compensation awarded)	Whether the grievor, who would have been third in line to receive the overtime opportunity, is entitled to compensation
4. Entitlement	a) Durham-Bush of Canada Ltd.	United Steelworkers, Local 3998	January 1979	June 11, 1979	Employer	Whether a probationary employe entitled to overtime opportuniti
	b) S.K.D. Manufacturing Co. Ltd.	United Auto Workers, Local 89	February 1979	Sept. 17, 1979	Union	Whether a supplemental employ a "seniority employee" for the purposes of accumulating overti
					Employer	Whether the grievor is entitled compensation
	c) Metro Toronto Board of Commissioners of Police	Metro Toronto Police Association	November 1978	March 28, 1980	Union	Whether the Board was entitled to exclude the grievors from annual inventory work performe by the grievors in past years
	d) Falconbridge Nickel Mines Ltd.	Sudbury Mine, Mill and Smelter Workers, Local 598	Not given	Sept. 23, 1981	Employer	Whether the grievor is entitled to compensation since grievor's job was performed by a relief employee on grievor's day off
	e) Denison Mines Ltd.	United Steelworkers	August 1981	June 4, 1982	Union	Whether trainees can be conside "employees normally performing the work"
5. Overtime Pay	a) *Labatts Ltd.	Canadian Union of United Brewery, Flour, Cereal, Soft Drink, and Distillery Workers Local 304	October 1978	Jan. 14, 1980	Employer	Whether the grievor is entitled to both Sunday and daily overti premiums
	b) *Dominion Bridge Co. Ltd.	United Steelworkers, Local 3990	Not given	Aug. 26, 1980	Employer	Whether the 3 hours worked on Saturday a.m. directly after a Friday regular shift should be paid simple overtime or the Saturday shift rate
	c) Atlas Steels, Division of Rio Algom Ltd.	United Steelworkers	Not given	Sept. 16, 1980	Union	Whether C.O.L.A., which is not paid for overtime hours, should be paid for straight-time hours worked outside normal schedule
	d) Humber Memorial Hospital Association	C.U.P.E., Local 1080	May 1979	July 13, 1982	Union	Whether the call-in rate or the holiday overtime premium appli to overtime work on a designat holiday
	e) Municipality of Metropolitan Toronto	C.U.P.E., Local 43	Not given	Jan. 24, 1984	"down the middle"	How to calculate compensation for overtime work on a holiday after completion of a full work week

Category	Employer	Union	Initiation of Grievance	Arbitration Date	Decision	Issue
6. Overtime Work	a) Union Gas Ltd.	Oil, Chemical, and Atomic Workers, Local 9-14	January 1978	June 18, 1979	Employer	Whether the grievor is entitled to overtime pay for time spent overnight at a hotel due to weather conditions and a truck that wouldn't start
	b) Leco Industries Ltd.	Oil, Chemical, and Atomic Workers International Union, Local 9-319.	October 1979	April 23, 1980	Union	Whether the carrying of a pager and consultations on the phone, constitute overtime work
	c) Hamilton Steel Railway Co.	Amalgamated Transit Union, Local 107	August 1980	June 25, 1981	Union	Whether the grievors are entitled to overtime pay for the time they spent eating and sleeping (overnight) while in a remote location waiting for parts to arrive
	d) Religious Hospitallers of Hotel Dieu of St. Joseph of the Diocese of London	Service Employees Union, Local 210	June 1982	Aug. 3, 1983	Union	Whether employees should be paid overtime rates for an unpaid lunch period during which they are required to remain on the premises
	e) London and District Association for the Mentally Retarded	Ontario Public Service Employees Union	February 1983	Sept. 24, 1984	Union	Whether overtime should be paid for travelling time outside normal work hours in order to attend conference
	f) Steinberg Inc.	United Food and Commercial Workers, Local 486	April 1985	Sept. 6, 1985	Union	Whether "voluntary" attendance at evening training session followed by a social occasion constitutes overtime
7. Remedies	a) Sherman Mine, Cliffs of Canada Ltd.	United Steelworkers	Sept., 1979	April 28, 1980	Union	Which remedy is appropriate given the fact that an outside contractor did the work in question
	b) Cabot Carbon of Canada Ltd.	Oil, Chemical, and Atomic Workers, Local 9-14	March 1979	Oct. 7, 1980	Employer	Which remedy is appropriate given an improper assignment of overtime work
	c) Gulf Canada Products Co.	Clarkson Refinery and Energy and Chemical Workers, Local 593	Not given	Sept. 3, 1982	Union	Which remedy is appropriate given that the grievor was unintentionally bypassed
	d) Ivaco Rolling Mills	United Steelworkers.	February 1983	March 19, 1984	Union	Which remedy is appropriate given Local 7940that nonbargaining-unit members performed the work
	e) 3M Canada Inc.	Energy and Chemical Workers Union, Local 294	November 1983	June 23, 1984	Union	Which remedy is appropriate given a violation of overtime equalization provision and the fact that the year in which the inequity occurred has passed

• Also listed under "Daily Weekly Overtime"

the remaining three cases display a wider interpretation of both the Act and the collective agreements, as consent is considered to be implied by the wording of the latter. To the extent that these three cases represent the beginning of a trend, unions without voluntary overtime provisions in their collective agreements may no longer be able to rely on the "consent" argument to provide their members with the right to refuse overtime work.

The next set of cases deals with the payment of overtime given the hours worked and the collective agreement's definition of a workday (or a workweek) and specific overtime provisions. It is difficult to draw any conclusions about the nature of these grievances or the arbitration decisions since the issue in each instance is technical and case-specific. However, in general, arbitrators concern themselves with the actual number of hours worked in succession or within the workday or workweek period of time, rather than whether the overtime occurs before or after a regularly scheduled shift, or whether length of time worked falls on two different days or weeks of work. In some of the cases, the grievance arose from an employer's practice, such as considering the workweek to run from Sunday to Saturday inclusive, which is not described in the collective agreement and consequently is being challenged by the union.

Four cases concern the distribution of overtime opportunities among those employees who are qualified to do such work. Two of the cases involve contract clauses calling for the "equitable distribution of overtime opportunities." The first of these, Re: Northern Telecom Canada Ltd. and United Automobile Workers, Local 1839, is significant because it states that even if one employee has accumulated more overtime credits than others for the period of time over which overtime is to be equalized, this does not in itself constitute a violation of the collective agreement. Instead, proof of a specific instance of improper denial is deemed necessary in order to demonstrate that a breach of the

agreement has occurred. The decision in the second case on equitable distribution, The Municipality of Metro Toronto v. Canadian Union of Public Employees, Local 43, establishes that past practice is a suitable indicator of how to interpret the vague expression "as equitably as possible." Also in this case, the arbitration board addresses another key question: is the grievor, who would not have been the first in line to be offered the overtime work, entitled to compensation? The board in this instance decided that no compensation be awarded. However, in Re: Federal White Cement Ltd. and United Cement Workers, Local 368, the board decided that the grievor, and not the employee who has the lowest amount of overtime, should be compensated. In the fourth case, the board ruled that the procedure for scheduling and distributing overtime need not be followed in a short-notice situation.

Five cases concern entitlement to a particular overtime opportunity by someone, such as a trainee or supplemental employee, whom the union feels should not be considered for overtime opportunities on an equal basis with other employees. It is again difficult to draw any conclusions from decisions in these cases because the reasoning behind these awards appear to be inconsistent; the decisions depend largely on specific wording in the collective agreements. However, it is interesting to note that in Re: Falconbridge Nickel Mines Ltd. and Sudbury Mine, Mill and Smelter Workers, Local 598, the arbitrator ruled that while the employer may be required to distribute overtime equally among those normally doing the work, the employer is not obligated to schedule overtime and can avoid doing so by using relief employees, who are not working overtime, on the regular employees' days off.

Five cases deal with the calculation of overtime pay given the possible applicability of other benefits, such as holiday or weekend premiums and callback pay, to the overtime hours worked. Though these decisions hinge on the technicalities

of interpreting the collective agreement given a specific circumstance, the issue which is common to most of these cases is the pyramiding of benefits. On this point, the arbitrator or arbitration board makes a determination as to whether the two or more benefits in question serve the same or different purposes. If the benefits serve different purposes and the contract does not stipulate otherwise, pyramiding of rates is generally allowed.

In six reported cases, the grievors are demanding overtime pay for activities which fall outside of normal working hours but which are not considered by the employers to be "work." The arbitrators tend to focus on whether the employee(s) in each case are "on duty," in the sense that they are under the control and direction of the employer for the duration of the period being claimed as overtime. The situations considered for overtime pay include an unpaid stay in a remote location while waiting for the arrival of materials necessary to complete the work at hand, and travel time outside of normal working hours in order to attend a conference. In all but one case, the decisions favour the union.

The last group of cases concerns whether a remedy in-kind or monetary compensation is more appropriate when someone has been improperly by-passed in the allocation of overtime opportunities. The employer in each case calls for a remedy in-kind, i.e., the opportunity to work the same number of hours at a future time as was previously denied, arguing that the grievor would then be restored to an equal opportunity of working, and not merely being paid for, an equal number of overtime hours. In most cases the employer also emphasizes that the improper distribution of overtime was unintentional. The union in each case argues for monetary compensation on the basis that the particular overtime opportunity in question is lost, and that to offer the grievor overtime work at this stage would put other employees at a disadvantage. In two of the cases, the original overtime opportunity was offered to someone outside the bargaining unit altogether,

which supported the union's position that the missed overtime could not be remedied by a balancing of future overtime opportunities. In all but one case, the arbitrator (or arbitration board) has concurred with the union.

SUMMARY AND POLICY IMPLICATIONS

Summary

- Determining the extent to which hours of work and overtime issues are dealt with in collective bargaining is important given the fact that more than half of the Ontario workforce is covered by collective agreements and others are indirectly affected. What goes on in collective agreements can also provide information on the community norm, which can be important in the design of employment standards.

- The following statements apply to the 893 major collective agreements (200 or more employees) in Ontario as of July 1984. Unless otherwise noted, a similar pattern prevails for "employees" as opposed to "contracts." The discussion pertains to the prevalence of hours and overtime provisions in collective agreements; it does not cover the actual usage of overtime since the collective agreement has no information on it.

- The scheduled workday of 8 or 7.5 hours and workweek of 40 or 37.5 hours each prevails in almost 80 per cent of all agreements with few exceeding these norms. Therefore, the current legislative standard of 44 hours per week after which overtime must be paid is not a binding constraint in the unionized sector. Most agreements have more stringent standards with respect to when the overtime premium must be paid, especially with respect to the scheduled workweek.

- The most common overtime premium is time-and-one-half for hours beyond the scheduled workday (usually of 8 hours) or for Saturday work, with double time being more common for Sunday work.

- Allowing the employee to choose between pay or compensatory time off in lieu of pay (both at premium rates) prevails in about, 20 per cent of the contracts (covering 30 per cent of workers) for daily overtime, with smaller numbers for weekly or Saturday or Sunday overtime.

- Extra premiums for "excessive" overtime are not common, existing in about 20 per cent of the contracts, usually at double time after 4 hours of daily overtime have already been worked.

- With respect to the overtime premium, therefore, collective agreements are similar to the legislative requirements of time-and-one-half except that the contracts are more stringent in that they: (1) require the premium for Saturday or Sunday work even if the hours on those days do not exceed the scheduled workweek; (2) often require double time for Sunday; (3) sometimes allow the employee to choose compensating time off at the premium rate; and (4) occasionally apply an extra premium for "excessive" overtime.

- The right of employees to refuse overtime is prevalent in about half of the contracts, more so in the small firms than large firms and in manufacturing (especially the heavy permit users) than in nonmanufacturing. There is also considerable variation by union with the U.A.W., Teamsters and Steelworkers disproportionately having the right to refuse.

- Requirements for the equitable distribution of overtime are also prevalent in about half of the contracts, with

that proportion being considerably higher in manufacturing, especially among the heavy permit users. Also, there is considerable variation by union, with the U.A.W., Electrical Workers, Energy and Chemical Workers, and Steelworkers disproportionately requiring the equitable distribution of overtime. Requirements for the equitable distribution of overtime are also less common when seniority is a prime factor in layoffs, suggesting that, if the preferences of senior workers dominate the union, they will protect their own interests by being less exposed to layoffs and by not sharing the overtime.

- Restriction on the use of overtime if there are layoffs is exceedingly rare, existing in only 2.5 per cent of the contracts.

- Worksharing arrangements in slack periods are also relatively uncommon, existing in about 12 per cent of the agreements, albeit in about 42 per cent of the Electrical Workers' contracts.

- When overtime commences before 8 hours, the other overtime provisions are often not as favourable to the union. For example, double time is less common as is the right to refuse or the equitable distribution of overtime.

- Otherwise, unions that have strong bargaining power tend to be able to win favourable overtime provisions in most dimensions, without having to trade one off for the other.

- An exception here may be fringe benefits, where high fringe benefits are associated with less right to refuse overtime and fewer restrictions on the equitable distribution of overtime, perhaps reflecting the

employer's desire to be able to amortize some of the fringe benefit costs by using more overtime.

- Manufacturing firms, especially the heavy permit users, were much more likely to have higher overtime premiums, and an equitable sharing of overtime, and to grant their workers the right to refuse overtime.

- There was considerable variation in the extent of overtime provisions across unions, including those where overtime is common. Yet the pattern was not uniform in the sense of some union being able to win provisions that would be considered favourable to the union with respect to all of the overtime provisions. For example, CUPE often had clauses giving the equitable distributions of overtime and restrictions on the use of overtime in the presence of layoffs, but seldom had provisions on worksharing. Similarly, the U.A.W. and Steelworkers often had provisions giving the right to refuse overtime and providing an equitable distribution of overtime, but seldom had clauses restricting the use of overtime in the presence of layoffs or for the provision of worksharing in slack periods.

- Overtime issues are not a major source of grievance-arbitration cases, and they appear to have declined in relative importance over time. The most important overtime issues that are grieved pertain to how overtime is defined. Issues pertaining to entitlement to overtime and the distribution of overtime together constitute about 25 per cent of the grievances, indicating that overtime is sufficiently desired by some workers that disputes arise over how it is to be allocated.

Policy Implications

With respect to legislative changes in hours of work and overtime, the analysis of collective agreements suggests the following:

- Legislatively reducing the standard workweek (i.e., before overtime commences) from its current level of 44 to 40 hours would reflect what is going on in collective bargaining and in that sense would have little impact on the unionized sector where the standard workweek is typically equal to or less than 40 hours.

- The current legislated time-and-one-half premium is also the norm in the unionized sector, with higher premiums being uncommon.

- The right to refuse overtime, which currently exists in the legislation only after 48 hours per week, exists in about half of the contracts of the unionized sector. Presumably, most of these agreements grant the right earlier than at the legislated 48 hours, although the exact trigger is not known. Whether this justifies having the right to refuse overtime perhaps after 40 hours, on the grounds of reflecting the collectively bargained norm, is an open question, given that it is prevalent in only about half of the contracts.

- The fact that requirements for the equitable distribution of overtime also prevail in about half of the agreements suggests that some consideration may be given to legislative requirements in that area. Nevertheless, this was not an issue that sparked the concern over overtime.

- The concern was largely sparked by the apparent anomaly of some people working considerable overtime hours while others were unemployed, and perhaps even on layoff in

the same establishment. Collective bargaining does not seem to be a viable vehicle for dealing with that broader social concern as evidenced by the lack of provisions restricting overtime in the event of layoffs or by the lack of worksharing provisions in slack periods. Legislative changes to reduce overtime as a worksharing measure could therefore not be justified on the grounds of reflecting the norm of collective bargaining. Rather, it would have to be justified on the grounds of leading what goes on in collective bargaining, perhaps because the internal union trade-offs are simply not able to deal with this issue.

- The fact that the extent of overtime provisions does not vary systematically by firm size suggests that their impact does not vary by firm size. This applies only to the unionized firms of 200 or more employees as used in the data; it obviously may not apply to the nonunion and smaller businesses.

- The heavy permit users in manufacturing tended also to have higher overtime premiums and stronger requirements giving workers the right to refuse overtime and requiring an equitable distribution of overtime. This suggests that they are not high overtime users simply because they are less restricted in their use of overtime.

- The considerable variation in the pattern of overtime provisions across the various unions also suggests that there is not a consensus on a uniform approach to dealing with overtime. This in turn suggests the need for a flexible approach that meets the divergent preferences of the different groups.

- The fact that overtime is not a major source of grievance arbitrations and that such cases are declining over time suggests that conflict over the administration

of overtime regulations is not likely to be a problem if it is further regulated.

- The fact that many grievance cases arise over entitlement to overtime and how it is to be distributed suggests that a substantial number of workers want the overtime. These issues dominate cases which pertain to individuals wanting the right to refuse overtime. It seems then that public concern can focus on the worksharing aspects more than on the concerns that arise over the administration of overtime.

NOTES

1. Based on data given in Labour Canada, 1983 Working Conditions in Canadian Industry, June 1984, 52per cent of employees were covered by collective agreements in Ontario in 1983 (the latest year for which data are available). The figure is higher (i.e., 68 per cent) for non office workers and it is even higher for nonoffice manufacturing workers (i.e., 76 per cent for Canada -- the Ontario figures not being available), where overtime is a more important issue.

2. Unfortunately, once a new contract is coded and entered into the current master file the old contract is erased; hence, it is not possible to construct a picture of how contract provisions change over time. As an aside, we would strongly recommend that additional resources be devoted to the maintenance of the earlier contracts on a data tape. This would facilitate historical comparisons on a systematic basis and would create a longitudinal or panel data set of contracts which could be invaluable for econometric work because one could focus on changes in contract provisions; the use of the same bargaining pair enables one to control naturally for unobservable differences that may otherwise contaminate conventional cross-section comparisons.

3. Since most contracts in the sample call for a 5 day week (or equivalent), the weekly overtime premium is rarely binding without the daily premium being binding. The exception would be overtime on a sixth or seventh day. Even here, the Saturday/Sunday overtime provisions, if present, would supersede the weekly overtime premium. For these reasons, 43 per cent of contracts do not even include weekly overtime provisions.

4. The callback provisions in the collective agreements define the minimum guaranteed overtime in terms of hours at either the straight-time or overtime rate.

5. The index is further refined for OHIP, where the data collected provide the proportion of premium paid. The proportion is then multiplied by the average employer cost. If the employer pays 50 per cent of OHIP, we add $399 x (0.5) = $169.50 to the Index (where $399 is average employer cost of basic medical insurance in British Columbia, Ontario, and Alberta).

6. The overtime wage is defined as the base wage rate in effect July 1984 times: 1 (for contracts with no provision or straight time); or 1.5 (for those contracts with an initial rate of time-and-one-half); or 2 (for contracts requiring double time as the initial rate).

DATA APPENDIX

The following describes in more detail the categorical variables used in the cross-tabulations, as well as the coding of both the dependent and independent variables used in the regressions.

CROSS-TABULATIONS

Standard Industrial Classification, 1960 (SIC2)

a) PERM MFG (High-overtime-permit-use manufacturing industries) includes: meat products industries, dairy products industries, fish products industries, fruit and vegetable canners and preservers, grain mills, bakery products industries, other food processors, beverage manufacturers, iron and steel mills, steel pipe and tube mills, iron foundries, motor vehicle manufacturers, truck body and trailer manufacturers, motor vehicle parts and accessories manufacturers, electrical products industries, and chemical and chemical products industries.

b) OTHER MF (non-high-overtime-permit-use manufacturing industries) includes: tobacco products industries, rubber industries, leather industries, textile industries, woollen mills, synthetic textiles mills, other primary textile mills, other textile industries knitting mills, clothing industries, wood industries, furniture and fixture industries, paper and allied industries, printing, publishing and allied industries, smelting and refining, aluminum drilling, casting and extruding, copper and alloy rolling, casting and extruding, metal rolling, casting and extruding, metal fabricating industries (except machinery and transportation equipment industries), machinery industries (except electrical machinery), aircraft and

parts manufacturers, railroad and rolling stock industry, shipbuilding and repair, boat building and repair, miscellaneous vehicle manufacturers, nonmetallic mineral products industries, petroleum and coal products industries, and miscellaneous manufacturing industries.

c) NON MFG (nonmanufacturing industries) includes: metal mines, mineral fuels, nonmetal mines except coal mines, quarries and sand pits, services incidental to mining, transportation, storage, communication, electric power, gas and water utilities, wholesale trade, retail trade, drugstores, financial institutions, insurance and real estate industries, education and related services, health and welfare services, religious organizations, motion picture and recreational services, services to business management, personal services, miscellaneous services, federal administration, provincial administration, local administration, and other government offices.

Region

a) N. ONT. (Northern Ontario): Lakehead -- northwestern Ontario and northeastern Ontario. (Roughly North Bay to Kenora.)

b) E. ONT. (Eastern Ontario): basically, the Ottawa/Kingston area.

c) S. CENTRL (South Central Ontario): Lake Ontario; central Ontario; Niagara; and Muskoka, Parry Sound, and Simcoe counties. (Peterborough -- Hamilton -- Niagara, to Parry Sound in the north.)

d) S.W. ONT. (South West Ontario): Lake Erie; Lake St. Clair; midwestern Ontario; and Bruce, Dufferin, and Grey counties.

e) MULTI. RG (Multi-region): agreements applying to more than one of the above economic regions.

Restricted Use of Nonbargaining Unit Labour (Restrict)

a) NO RESTN (no restrictions): refers to the absence of both restrictions on contracting out and the use of non bargaining unit employees in the provisions of the contract.

b) ONE REST (one restriction): one of the above restrictions on the use of nonbargaining unit workers is written into the agreement.

c) BOTH RES (both restrictions): both of the provisions are constituent in the contract.

Seniority in Layoffs (Senior)

a) SOLE/PRI (sole or primary factor): seniority is the sole or a primary factor in the selection of employees to be retained in the event of a layoff.

b) NON-PRIM (non-primary factor): seniority does not play a primary role in deciding who will be laid off.

c) NO PROV (no provision): there is no specific reference present in the agreement as to the role of seniority in layoffs.

Severance Pay/Lay off Benefits (SEVPA)

a) EITHER: there exists a provision in the agreement for either severance pay or layoff benefits.

b) BOTH L&S: provisions for both exist in the agreement.

c) NO PROV: neither clause is present in the agreement.

Value of Health Benefits (HEAVAL)

a) LOW $BEN: health benefits worth between $0 and $700 per year.

b) MED $BEN: health benefits worth between $701 and $1,100 per year.

c) HI $BEN: health benefits worth greater than $1,100 per year.

Ratio of Fringe Benefits to Overtime Wage (FRINGES)

a) LOW: ratio is between 0 and 52.

b) MEDIUM: ratio is between 53 and 87.

c) HIGH: ratio is greater than 87.

MULTIVARIATE ANALYSIS

Number of Employees Variables:

a)	NOEMPL5	= 1	If the number of employees covered by the agreement is 500 to 999.
		= 0	otherwise.
b)	NOEMP10	= 1	If the number of employees covered by the agreement is 1,000 to 1,999.
		= 0	otherwise.
c)	NOEMP20	= 1	If the number of employees covered by the agreement is 2,000 or more.

(The reference group is 200-499 employees)

Standard Industrial Classification Variables:

a) MANDUM = 1 If the agreement covers employees in the high overtime permit use manufacturing industry sector as described above under SIC2.
= 0 otherwise.

b) NONDUM = 1 If the agreement covers employees in the nonmanufacturing sector as described above under SIC2.
= 0 otherwise.

(The reference group is agreements covering employees in manufacturing industries that are not high users of overtime permits.)

Union Variables:

a) CUPEDUM = 1 If the union party to the agreement is the Canadian Union of Public Employees.
= 0 otherwise.

b) ENERDUM = 1 If the union party to the agreement is the Energy and Chemical Workers Union.
= 0 otherwise.

c) FOODUM = 1 If the union party to the agreement is the Food and Service Workers of Canada.
= 0 otherwise.

d) TEAMDUM = 1 If the union party to the agreement is the International Brotherhood of Teamsters, Chauffeurs, Warehousemen and Helpers of America (Teamsters).
= 0 otherwise.

e) UAWDUM = 1 If the union party to the agreement is the International Union, United Automobile, Aerospace and

			Agricultural Implement Workers of America (UAW).
		= 0	otherwise.
f)	UELECDUM	= 1	If the union party to the agreement is the United Electrical, Radio and Machine Workers of America (Electrical Workers).
		= 0	otherwise.
g)	USTEEDUM	= 1	If the union party to the agreement is the United Steelworkers of America.
		= 0	otherwise.

(The reference group is all other unions not listed above, and agreements to which two or more unions are party.)

Region Variables:

a)	NONTDUM	= 1	If the economic region to which the agreement applies is Northern Ontario as defined in this appendix under "Region."
		= 0	otherwise.
b)	EONTDUM	= 1	If the economic region to which the agreement applies is Eastern Ontario as defined in this appendix under "Region."
		= 0	otherwise.
c)	SCENDUM	= 1	If the economic region to which the agreement applies is South Central Ontario as defined in this appendix under "Region."
		= 0	otherwise.
d)	SWDUM	= 1	If the economic region to which the agreement applies is south West Ontario as defined in this appendix under "Region."

(The reference group is Multi-region as defined in this appendix under "Region.")

Restrictions on the Use of Nonbargaining Unit Employees Variable:

RNBUE180	= 1	If a provision exists in the agreement restricting nonbargaining unit employees from doing work normally performed by members of the bargaining unit.
	= 0	otherwise.

Restrictions on Contracting-out Variables:

CTOUT182	= 1	If contracting work out is restricted by the terms of the agreement.
	= 0	otherwise.

Severance Pay/Layoff Benefit Variables:

a)	SEVER1	= 1	If either a severance pay or layoff benefit provision exists in the agreement.
		= 0	otherwise.
b)	SEVER2	= 1	If both severance pay and layoff benefit provisions exist in the agreement.
		= 0	otherwise.

(The reference group is no provision for either severance pay or layoff benefits exist in the agreement.)

Seniority in Layoffs Variables:

a)	SEN10R1	= 1	If seniority is a factor in the

selection of employees to be retained in the event of layoffs.

= 0 otherwise.

b) SEN10R2 = 1 If seniority is the sole or a primary factor in the selection of employees to be retained in the event of layoffs.

= 0 otherwise.

(The reference group is no provision.)

Holiday Variables: (employee given one-half or one full day off with pay, including year-end holidays but not vacations).

a) HOL10 = 1 If the number of paid holidays is strictly less than 10 days per year.

= 0 otherwise.

b) HOL12 = 1 If the number of paid holidays is between 10 and less than 12 days per year.

= 0 otherwise.

c) HOL14b) = 1 If the number of paid holidays is between 12 and less than 14 days per year.

= 0 otherwise.

d) HOLLGT14 = 1 If the number of paid holidays is greater than 14 days per year.

= 0 otherwise.

(The reference group is "other" than listed above.)

Health Benefit Index:

HBENIND = [($399 x % of OHIP paid by the employer) + $315 if the employee is covered by a supplementary health insurance plan) + ($168 if the employee is covered by a dental plan) + ($119 x % of employer's

contribution to a life insurance plan) + $706 x SICKFAC)]/100.

where:

SICKFAC	= 0	If there is no paid sick leave.
SICKFAC	= 0.5	If there is provision for up to and including 5 paid sick days per year.
SICKFAC	= 1	If there is provision for 5 or greater paid sick days per year, if there is a per sickness provision, an annual cash payment plan, or an unspecified annual allowance provision.